

to which it was justly subject, was to afford a breathing; spell to the country for the restoration of confidence in the monetary standard and in the business future. The period of business depression beginning in 1893 had lasted long-enough to exhaust idle stocks of goods, to accumulate capital in the banks, and to prepare the business community for a new period of activity if confidence could be restored. Mr. J. Pierpont Morgan, the eminent financier who was the leading spirit in the arrangement, would probably have made no attempt to restore confidence and business activity by similar methods in the spring of 1893 or of 1894, but he counted upon the probabilities of success in such an undertaking in 1895, and events partially justified his judgment. The loans and discounts of the national banks of the City of New York increased from \$332,069,999 on March 5, 1895, to \$363,848,573 on September 28, 1895, while the loans and discounts of all the national banks of the country advanced in the same interval from \$1,965,375,368 to \$2,059,408,402. The imports for the calendar year 1895 were \$801,663,490, an increase of \$125,000,000 over 1894, and only \$39,000,000 less than in the prosperous year 1892. Receipts for postage, an unfailing index of business conditions, increased in every quarter of 1895 over the corresponding quarter of 1894, and reached for the concluding quarter of the year a total of \$20,517,014, the largest volume of business ever recorded.

The essential defects of the policy of the syndicate contract were its failure to diminish the redundant volume of currency, the stimulus thus afforded to imports over exports, and the artificial nature of the attempt to corner the exchange market. This attempt practically broke down towards the close of July. A leading coffee firm which had payments to make in Europe found that they could be made cheaper by the shipment of gold drawn from the Treasury than by the purchase of exchange at the rates fixed by the syndicate. One of the syndicate firms was also compelled to ship gold withdrawn from the Treasury, in order to cover the bills of exchange which they had sold. The syndicate had been released from a part of the obligation to bring half the gold